

FISCAL NOTE

SB 3961 - HB 3964

February 15, 2008

SUMMARY OF BILL: Authorizes every child in Tennessee under the age of 24 whose parent or grandparent received the Purple Heart, to receive a 25% discount on tuition to any state-operated institution of higher education.

ESTIMATED FISCAL IMPACT:

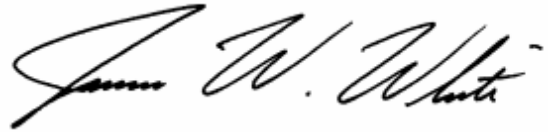
**Increase State Expenditures - \$1,301,100 FY08-09
\$1,391,300 FY09-10**

Assumptions:

- Lost revenue to higher education institutions would be replaced with state funds rather than higher tuition and fees.
- The estimated number of purple hearts received by Tennessee veterans since 1932 is 34,170.
- 66% of the population falls between age groups 15-19 and 60-64 according to federal census data.
- Applying this percentage to the number of Tennessee veterans receiving purple hearts, there would be an estimated 22,552 eligible veterans.
- The average number of dependents per veteran is estimated to be two dependents.
- The total number of eligible dependents is estimated to be 45,104.
- Assuming a participation rate of 5%, the number of eligible participants would be 2,255.
- The 25% tuition discount per dependent is estimated to be \$577 in FY08-09 and \$617 in FY09-10.
- First year costs (FY07-08) are estimated to be \$1,301,135 (2,255 dependents x \$577).
- Second year costs (FY08-09) are estimated to be \$1,391,335 (2,255 dependents x \$617).
- Tuition is estimated to increase at a rate of 7% per year.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director

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